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COUNTY OF SUTTER
SINGLE AUDIT REPORT
JUNE 30, 2009

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COUNTY OF SUTTER

Single Audit Report For the Year Ended June 30, 2009

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GALLINA^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors and Grand Jury
County of Sutter
Yuba City, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sutter, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 30, 2010. We conducted our audit in accordance with auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Sutter's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Sutter's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Sutter's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and one that we consider to be a material weakness.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying

Board of Supervisors and Grand Jury
County of Sutter

Internal Control Over Financial Reporting (continued)

schedule of findings and questioned costs as items 09-FS-1 to be a significant deficiency in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiency described above, we consider item 09-FS-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Sutter's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County of Sutter in a separate letter dated March 30, 2010.

The County of Sutter's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response, and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Supervisors, Grand Jury, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.



Roseville, California
March 30, 2010



GALLINA_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury
County of Sutter
Yuba City, California

Compliance

We have audited the compliance of the County of Sutter, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County of Sutter's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Sutter's management. Our responsibility is to express an opinion on the County of Sutter's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Sutter's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Sutter's compliance with those requirements.

In our opinion, the County of Sutter complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 09-SA-1 and 09-SA-2.

Board of Supervisors and Grand Jury
County of Sutter

Internal Control Over Compliance

The management of the County of Sutter is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Sutter's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Sutter's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questions costs as items 09-SA-1 and 09-SA-2 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirements of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the significant deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The County of Sutter's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County of Sutter's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2009, and have issued our report thereon dated March 30, 2010. Our audit was performed for the purpose of forming opinions on the financial statements

Board of Supervisors and Grand Jury
County of Sutter

Schedule of Expenditures of Federal Awards (continued)

that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Supplementary Schedules of the California Emergency Management Agency and the State Department of Justice Grant Expenditures, beginning on page 21, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

This report is intended solely for the information of the Board of Supervisors, Grand Jury, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.



Roseville, California
March 30, 2010

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Food and Agriculture:			
Plant & Animal Disease, Pest Control and Animal care	10.025	08-8520-1051-CA	\$ 113
Plant & Animal Disease, Pest Control and Animal care	10.025	09-8500-0484-CA	45,166
Plant & Animal Disease, Pest Control and Animal care	10.025	09-8520-1164-CA	25,621
Plant & Animal Disease, Pest Control and Animal care	10.025	09-8520-1164-CA	2,171
Subtotal Pass Through			<u>73,071</u>
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551 *	--	12,126,634
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561 *	--	592,730
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	08-85478	800,604
Subtotal Pass Through			<u>13,519,968</u>
Total U.S. Department of Agriculture			<u>\$ 13,593,039</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the State Department of Housing and Community Development:			
Community Development Block Grants/States Program	14.228	--	178,921
HOME Investment Partnerships Program	14.239	--	592,010
Total U.S. Department of Housing and Urban Development			<u>\$ 770,931</u>
<u>U.S. Department of Fish & Game</u>			
Direct Program:			
Habitat Conservation Plan/Natural Communities Conservation Plan (HCP/NCCP)	15.615	--	63,264
Total U.S. Department of Fish & Game			<u>\$ 63,264</u>

* Major Program

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>			
Direct Program:			
Juvenile Accountability Block Grant Program (JABG)	16.523	CSA 133-08.6	\$ 200,000
Justice Assistance Grant 2006-DJ-BX-1086	16.738	--	4,271
Justice Assistance Grant 2006-DJ-BX-1403	16.738	--	2,910
Subtotal Direct			<u>207,181</u>
Passed through California Emergency Management Agency:			
Victim Witness Assistance Program	16.575	VW08220510	47,744
Anti-Drug Abuse Enforcement Program	16.579	DC08210510	137,563
Violence Against Women Formula Grants	16.588	VV08040510	90,000
Subtotal Pass Through			<u>275,307</u>
Total U.S. Department of Justice			<u>\$ 482,488</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	AIP-3-06-0282-03	<u>185,614</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205 *	BRLS-5918(034)	3,491
Highway Planning and Construction	20.205 *	BRLO-5918(052)	287,836
Highway Planning and Construction	20.205 *	BRLS-5918(012)	3,734
Highway Planning and Construction	20.205 *	BRLO-5918(032)	4,392,794
Highway Planning and Construction	20.205 *	BHLVS-5918(062)	16,763
Highway Planning and Construction	20.205 *	ESPL-5918(072)	18,123
ARRA - Highway Planning and Construction	20.205 *	--	28,690
Subtotal CFDA 20.205			<u>4,751,431</u>
Passed through State Office of Traffic Safety:			
State and Community Highway Safety	20.600	--	<u>23,042</u>
Total U.S. Department of Transportation			<u>\$ 4,960,087</u>
<u>Institute of Museum and Library Services</u>			
Passed through California State Library:			
Grants to States	45.310	40-7081	25,000
Grants to States	45.310	40-7137	10,000
Grants to States	45.310	40-7059	5,000
Total Institute of Museum and Library Services			<u>\$ 40,000</u>

* Major Program

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Education</u>			
Passed through the State Department of Education:			
Adult Education State Grant Program	84.002	--	\$ 163,329
Total U.S. Department of Education			\$ 163,329
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	76,797
Temporary Assistance for Needy Families (Social Services Administration)	93.558 *	--	4,797,013
Child Welfare Services – State Grants	93.645	--	550,279
Foster Care - Title IV-E	93.658 *	--	2,098,983
ARRA - Foster Care - Title IV-E	93.658 *	--	42,943
Child Welfare Services Outcome Improvements	93.658 *	--	6,474
Adoption Assistance Program	93.659 *	--	1,253,533
ARRA - Adoption Assistance Program	93.659 *	--	99,424
Social Services Block Grant	93.667	--	101,302
Chafee Foster Care Independent Living Program	93.674	--	46,200
Subtotal Pass Through			9,072,948
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	1,842,279
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Preventive and Treatment of Substance Abuse (SAPT)	93.959	--	1,073,446
Passed through State Department of Health Care Services:			
State Children's Insurance Program	93.767	--	28,330
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	04-35715	5,706
Medical Assistance Program	93.778 *	--	328,940
Medical Assistance Program (Title XIX)	93.778 *	--	1,886,903
Subtotal Pass Through			2,249,879

* Major Program

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Public Health:			
Public Health Emergency Preparedness	93.069	EPO 08-51	\$ 269,562
Immunization Grants	93.268	08-85329	26,320
Maternal Child & Adolescent Health (MCAH)	93.994	--	73,453
Subtotal Pass Through			<u>369,335</u>
Passed through the State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150	--	48,349
Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant (includes Children's System of Care (CSOC) (Grant)	93.958	--	338,688
Subtotal Pass Through			<u>387,037</u>
Total U.S. Department of Health and Human Services			<u>\$ 14,994,924</u>
<u>U.S. Department of Homeland Security</u>			
Direct Program:			
Emergency Management Performance Grant 2007	97.042	--	92,122
Passed through the State Office of Homeland Security:			
State Homeland Security Program (SHSGP)	97.067	--	476,660
Subtotal Pass Through			<u>476,660</u>
Total U.S. Department of Homeland Security			<u>\$ 568,782</u>
Total Expenditures of Federal Awards Excluding Loans			<u><u>\$ 35,636,844</u></u>
<u>Beginning Federal Loan Balances with a Continuing Compliance Requirement</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants-Section 108 Loan Guarantees	14.248	--	\$ 729,568
Federal Loan Balances with a Continuing Compliance Requirement			<u>729,568</u>
Total Expenditures of Federal Awards Including Loans			<u><u>\$ 36,366,412</u></u>

COUNTY OF SUTTER

Notes to Schedule of Expenditures and Federal Awards For the Year Ended June 30, 2009

Note 1: **General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Sutter. The County of Sutter reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on an accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity; the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

Note 5: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<u>Federal</u>	<u>Program Title</u>	<u>Amount</u> <u>Provided to</u> <u>Subrecipients</u>
14.228	Community Development Block Grants/States Program	\$ 178,921
14.239	HOME Investment Partnerships Program	<u>592,010</u>
	Total	<u>\$ 770,931</u>

COUNTY OF SUTTER

Notes to Schedule of Expenditures and Federal Awards For the Year Ended June 30, 2009

Note 6: Total Federal Awards Expended by CFDA Number

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.778	\$ 2,215,843

Note 7: Program Clusters

Federal programs, which must be audited as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>		
10.551	Supplemental Nutrition Assistance Program	\$ 12,126,634
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>592,730</u>
TOTAL		<u>\$ 12,719,364</u>

Note 8: Loans with Continuing Compliance Requirement

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2009 as follows:

<u>Federal CFDA#</u>	<u>Program Title</u>	<u>Amount Outstanding</u>	
		<u>July 1, 2008</u>	<u>June 30, 2009</u>
14.248	Community Development Block Grants-Section 108 Loan Guarantees	\$ 729,568	\$ 729,568

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

SNAP Cluster

10.551

Supplemental Nutrition Assistance Program

10.561

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

20.205

Highway Planning and Construction

93.558

Temporary Assistance for Needy Families

93.658

Foster Care – Title IV-E

93.659

Adoption Assistance

93.778

Medical Assistance Program

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

Section 1 (continued)

Federal Awards (continued)

Summary of Auditor's Results

- | | |
|---|--------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$ 1,069,105 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

Section 2

Financial Statement Findings

Debit Balance in Unearned Revenue	Finding 09-FS-1
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Section 3

Federal Award Findings and Questioned Costs

CFDA 93.558	Finding 09-SA-1
CFDA 93.778	Finding 09-SA-2

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs Financial Statement Findings For the Year Ended June 30, 2009

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 09-FS-1	<p><i>Debit Balance in Unearned Revenue</i> <i>Reporting Requirement: Material Weakness</i></p> <p><u>Criteria</u></p> <p>Reimbursable expenditures in excess of advances received should be recorded as a debit to a receivables account rather than a debit balance in an unearned revenue account.</p> <p><u>Condition</u></p> <p>In its Welfare Fund, the County recorded a debit to its unearned revenue liability account instead of a receivable for the excess of expenditures incurred for administrative costs over advances received during the year.</p> <p><u>Cause</u></p> <p>The debit balance in the unearned revenue account was due to the excess of expenditures incurred over advances received during the year.</p> <p><u>Effect of Condition</u></p> <p>The effect of incorrectly recording amounts to the unearned revenue account results in the misstatement of unearned revenue and due from other governments.</p> <p><u>Recommendation</u></p> <p>We recommend that the County record reductions to unearned revenue only to the extent that advances have been received. Amounts above the advances already received should be recorded as a receivable (or due from other governments).</p> <p><u>Management Response from Auditor-Controller's Office</u></p> <p>The Auditor-Controller's office agrees and has implemented the recommendation of recording amounts above advances already received as receivables specifically "Accounts Receivable Fed/State Reimbursement".</p>

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-1	<i>Federal Grantor:</i> U.S. Department of Health and Human Services
Temporary Assistance for Needy Families (TANF)	<i>Pass-Through Entity:</i> State Department of Social Services
CFDA 93.558	<i>Compliance Requirement:</i> Eligibility/Special Tests (IEVS)
	<i>Reporting Requirement:</i> Significant Deficiency
Award No. n/a	
Year: 2008/2009	<u>Criteria</u> As required by § 1137 of the Social Security Act, income and benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility or level of assistance, benefits or services. <u>Condition</u> We tested twenty-nine cases and noted that two cases had current IEVS but they had not been signed and dated by the Eligibility Worker and three cases did not have any current IEVS documents at all. <u>Questioned Costs</u> No costs are questioned. <u>Perspective</u> We noted that the IEVS were either not current or they were current but had not been signed and dated by the Eligibility Worker for twelve individuals. We assumed an average number of individuals requiring an IEVS per case was 3.5. That means we tested for 102 IEVS with twelve IEVS not current or not signed and dated. The exception rate for the sample was $12 / 102 = 11.76\%$.

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-1 (continued)	<u>Effect of Condition</u> The IEVS system is an elaborate, federally-mandated system which compiles government information for the purpose of tracking federal program eligibility data. Not requesting and using IEVS in eligibility determination can result in individuals receiving benefits to which they are not entitled.
Temporary Assistance for Needy Families (TANF) CFDA 93.558	<u>Recommendation</u> We recommend that the Department review this omission to request, review, and compare the IEVS to information in the case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is requested, received, and reviewed and that this review is documented in each case. <u>Corrective Action Plan</u> Sutter County Human Services-Welfare & Social Services Division has received the findings of the Temporary Assistance for Needy Families (TANF) program audit for Fiscal Year 2008/2009. Twenty nine cases were audited and of those cases two were found to be missing a signature and date by the Eligibility Worker on the applicant Income Eligibility and Verification System (IEVS) document and three cases did not have the IEVS document at all. After reviewing the cases the County is in agreement with your findings. In response to this finding the County provided IEVS refresher training to applicable staff in February 2010. To ensure compliance in this area the IEVS document will be requested and processed prior to submitting the case for review and authorization unless regulations require Immediate Need processing. When Immediate Need processing is required the Eligibility Worker will submit for authorization just the Immediate Need and retain the case until the actual IEVS document is returned to review and process with the signature and date and file in the case. The contact person for this corrective action plan is the Director, Welfare and Social Services, Assistant Director of Human Services. The contact person can be reached at 530.822.7238.

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-2	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Medical Assistance Program CFDA 93.778	<i>Pass-Through Entity: State Departments of Health Services and Alcohol and Drug Abuse Programs</i>
	<i>Compliance Requirement: Eligibility (IEVS)</i>
	<i>Reporting Requirement: Significant Deficiency</i>
Award No. n/a Year: 2008/2009	<u>Criteria</u>

As required by § 1137 of the Social Security Act, income and benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility or level of assistance, benefits or services.

Condition

We tested twenty-nine cases and noted that two cases had current IEVS but they had not been signed and dated by the Eligibility Worker and two cases did not have any current IEVS documents at all.

Questioned Costs

No costs are questioned.

Perspective

We noted that the current IEVS were missing for nine individuals. We assumed an average number of individuals requiring an IEVS per case was 3.5. That means we tested for 102 IEVS with nine IEVS not current or not signed and dated. The exception rate for the sample was $9 / 102 = 8.82\%$.

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-2 (continued)	<u>Effect of Condition</u> The IEVS system is an elaborate, federally-mandated system which compiles government information for the purpose of tracking federal program eligibility data. Not requesting and using IEVS in eligibility determination can result in individuals receiving benefits to which they are not entitled.
Medical Assistance Program CFDA 93.778	<u>Recommendation</u> We recommend that the Department review this omission to request, review, and compare the IEVS to information in the case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is requested, received, and reviewed and that this review is documented in each case.
	<u>Corrective Action Plan</u> Sutter County Human Services-Welfare & Social Services Division has received the findings of the Medical Assistance program audit for Fiscal Year 2008/2009. Twenty nine cases were audited and of those cases two (2) were found to be missing a signature and date by the Eligibility Worker on the applicant Income Eligibility and Verification System (IEVS) document and two (2) cases did not have the IEVS document at all. After reviewing the cases the County is in agreement with your findings. In response to this finding the County provided IEVS refresher training to applicable staff in February 2010. To ensure compliance in this area the IEVS document will be requested and processed prior to submitting the case for review and authorization unless regulations require Emergency Medical processing. When Emergency Medical processing is required the Eligibility Worker will submit for authorization just the Emergency Medical and retain the case until the actual IEVS document is returned to review and process with the signature and date and file in the case. The contact person for this corrective action plan is the Director, Welfare and Social Services, Assistant Director of Human Services. The contact person can be reached at 530.822.7238.

COUNTY OF SUTTER

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2009

Audit Reference Number	Status of Prior Year Audit Findings
Finding 07-03	<u>Recommendation</u>
Adoption Assistance CFDA 93.659	We recommend that the County require that the AAP-4s be signed by the "Authorized Official of County Welfare Department" (County eligibility staff) and that this person check the appropriate box showing determination of FFP eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the AAP-4s are properly completed and executed.
	<u>Status</u>
	Implemented.
Finding 08-SA-1	<u>Recommendation</u>
Adoption Assistance CFDA 93.659	We recommend that the County instruct its eligibility staff to make sure a properly-executed AAP-4 is contained in the case file before approving federal Adoption Assistance. When any case is identified which does not have a properly-executed AAP-4, we recommend that a supervisor review the case file to make sure that the aid code for the case is correct.
Award No. n/a Year: 2007/2008	<u>Status</u>
	Implemented.

**SUPPLEMENTARY SCHEDULES
OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY
AND
THE STATE DEPARTMENT OF JUSTICE
GRANT EXPENDITURES**

COUNTY OF SUTTER

Supplementary Schedules of the California Emergency Management Agency and the State Department of Justice Grant Expenditures For the Year Ended June 30, 2009

California Emergency Management Agency Grants

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2009. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2008	For the Year Ended June 30, 2009	Cumulative As of June 30, 2009	Federal Share	State Share	County Share
<u>VW08220510 - Victim Witness Assistance Program</u>						
Personal services	\$ 119,926	\$ --	\$ 119,926	\$ 46,773	\$ 73,153	\$ --
Operating expenses	971	--	971	971	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 120,897</u>	<u>\$ --</u>	<u>\$ 120,897</u>	<u>\$ 47,744</u>	<u>\$ 73,153</u>	<u>\$ --</u>
<u>DC08210510 - Anti-Drug Abuse Enforcement Program</u>						
Personal services	\$ 47,563	\$ --	\$ 47,563	\$ 47,563	\$ --	\$ --
Operating expenses	90,000	--	90,000	90,000	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 137,563</u>	<u>\$ --</u>	<u>\$ 137,563</u>	<u>\$ 137,563</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VV08040510 - Violence Against Women Formula Grants</u>						
Personal services	\$ 90,000	\$ --	\$ 90,000	\$ 90,000	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 90,000</u>	<u>\$ --</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VB08060510 - Statutory Rape Vertical Prosecution</u>						
Personal services	\$ 88,894	\$ --	\$ 88,894	\$ --	\$ 88,894	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 88,894</u>	<u>\$ --</u>	<u>\$ 88,894</u>	<u>\$ --</u>	<u>\$ 88,894</u>	<u>\$ --</u>

COUNTY OF SUTTER

Supplementary Schedules of the California Emergency Management Agency and the State Department of Justice Grant Expenditures For the Year Ended June 30, 2009

State Department of Justice

The following represents expenditures for the State Department of Justice programs for the year ended June 30, 2009.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2008	For the Year Ended June 30, 2009	Cumulative As of June 30, 2009	Federal Share	State Share	County Share
<u>AG07A10510 - Anti-Gang Initiative</u>						
Personal services	\$ 68,000	\$ 3,618	\$ 71,618	\$ --	\$ 3,618	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 68,000</u>	<u>\$ 3,618</u>	<u>\$ 71,618</u>	<u>\$ --</u>	<u>\$ 3,618</u>	<u>\$ --</u>
<u>07SA14DO46 - Spousal Abuser Prosecution Program</u>						
Personal services	\$ 65,836	\$ 33,261	\$ 99,097	\$ --	\$ 33,261	\$ --
Operating expenses	9,804	--	9,804	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 75,640</u>	<u>\$ 33,261</u>	<u>\$ 108,901</u>	<u>\$ --</u>	<u>\$ 33,261</u>	<u>\$ --</u>